



POLICY Brief

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COMMON LAND - COMMERCIALIZATION VS CONSERVATION

Across South Asia, many rural people use common land to harvest naturally-growing plants, grow crops and feed their livestock. Increasingly this activity is being commercialized as farmers move to sell the produce they obtain. Despite the importance of this development to village people, its overall effect is uncertain and there are fears that it will damage the environment.

A new SANDEE study investigates the impact of this commercialization process. It looks into the social and environmental effects of a fruit processing co-operative in the Himachal Pradesh region of India. The members of the co-operative collect fruit from common land. This fruit is then processed, marketed and sold.

The study finds that the increase in the commercial use of the commons has led to an increase in the welfare of the co-operative members and their households. The study also finds that commercialization seems to encourage households to protect and plant new trees. This response is, however, not uniform and highlights the importance of the commons to the poor: Richer households tend to plant these trees on their private land. In comparison, poorer households tend to conserve and plant new trees on the commons.

The study highlights the importance of enhancing and maintaining the positive benefits of the commercialization of common land - and other common property resources (CPR). It recommends policies for land ownership and public investment designed to make sure that this is the case.

THE TRUE COST OF COMMERCIALIZATION

The study is by Purnamita Dasgupta from the Institute of Economic Growth at the University of Delhi. Dasgupta aims to present a better picture of the true impact of commercialization of CPRs than that currently available. The way in which CPRs support rural livelihoods has been well-documented. However, much less is known about the long-term implications of such activities for the resources themselves and the institutions that govern their use. This is partly because there are many different factors that can affect whether commercialization of CPRs has positive or negative environmental and social impacts.

For example, the commercial use of forested common lands can increase the returns that people obtain from collecting produce from these areas. Improved access to markets, and higher returns from sales, add value to forest products. This, in turn, can motivate forest preservation. On the other hand, the alternative income opportunities that result from economic development can adversely affect the conservation of natural resources. Improved economic opportunities can also reduce the dependence that people have on common land, which can itself have an uncertain impact on the environment. As the rich can often take better advantage of such opportunities than can the poor, the social impact of such changes can also be divisive.

In order to investigate such complex interactions and linkages, Dasgupta's study explores the incentives and determinants for fruit collection, tree-planting, and forest protection among rural households. It investigates whether market linkages promote conservation and the sustainable use of resources. It also explores whether they create alternative opportunities for some households and reduce some families' dependence on CPRs.

This policy brief is based on SANDEE working paper. 15-06, 'Common Property Resources as Development Drivers: A Study of a Fruit Cooperative in Himachal Pradesh, India' by Purnamita Dasgupta from the Institute of Economic Growth, University of Delhi Enclave, Delhi - 110007, India. The full report is available at www.sandeeonline.org



THE STUDY AREA

Ecologically, the study area falls within what is called the Changar belt. This area is part of the highly fragile and degraded peri-Himalayan Shivalik region with altitudes of between 500 and 1300 m. In the local dialect, “Changar” means dry zone with a rugged terrain. In terms of its agro-ecology, it is a mid-hill sub-humid zone, rain-fed and sub-tropical for the most part, with low rainfall.

Large-scale conifer plantations have been established in the area by the state Forest Department in the last couple of decades. Today, some 55% of the land is legally classified as forests while 10% can be considered as common lands and the rest (35%) private land holdings (*theke ki zameen, mulkiyat*). Private lands can be broadly divided into two categories: 40% cultivated land and 60% hay/grass-lands (called *Kharetars*). The main cultivated crops are: Maize (Chhali) and Wheat (Kanak) with Rice (Dhan) in some pockets.

The state of Himachal Pradesh is among the better performing states in India, in terms of achievements in gender equality, poverty alleviation and improving access to safe water and shelter. Out of the 492 sampled households, 75% are headed by men while the remaining 25% are headed by women. The literacy rate in the sampled Samridhi villages (82%) is higher than the rate for Himachal Pradesh (77%) and slightly higher than that for Kangra district (81%). The main source of drinking water in Samridhi villages is piped water (68%), followed by tank, ponds and bowri. In all, 56% households have LPG connections and use it either as the primary or the secondary source of cooking fuel.

A VILLAGE-BASED SURVEY

The study explores the implications of the commercialization of CPRs through a study of 15 villages in the Kangra district in Himachal Pradesh. In the study area many village women are members of a fruit processing and marketing co-operative. This is called the Samridhi Mahila Co-operative Society (SMCS). Samridhi is considered to be a success story in Kangra – it is seen as a thriving agri-business that has improved rural livelihoods and also helped conserve the environment. It is also seen as an example of rural women’s empowerment. Samridhi had its beginnings in 1996 under the Indo-German Changar Eco Development Project (IGCEDP). This was initiated in an effort to improve natural resource management and forest-based livelihoods in the Changar area.

Under Samridhi, local women form co-operatives called Women’s Production Groups (WPGs) and collect fruits from nearby forests, common lands and privately owned trees. They then process the fruits into pickles, chutneys and candies at village production centres. The finished products are then checked for quality, packaged and marketed by the co-operative. It should be noted that, at present, there is no legally well-defined common village land in the area. However, to all intents and purposes, common land does exist and is used as such.

Production activities continue throughout the year depending on seasonal raw material availability. Aggregate production during the year 2003 was 35 tons while total sales amounted to Rs. 22,47,349. It is of particular interest that, as demand for fruit-based products from the CPR have increased (along with profitability), co-operative members have become interested in planting fruit trees on private and common lands to boost their incomes.

SURVEYS AND SECONDARY SOURCES

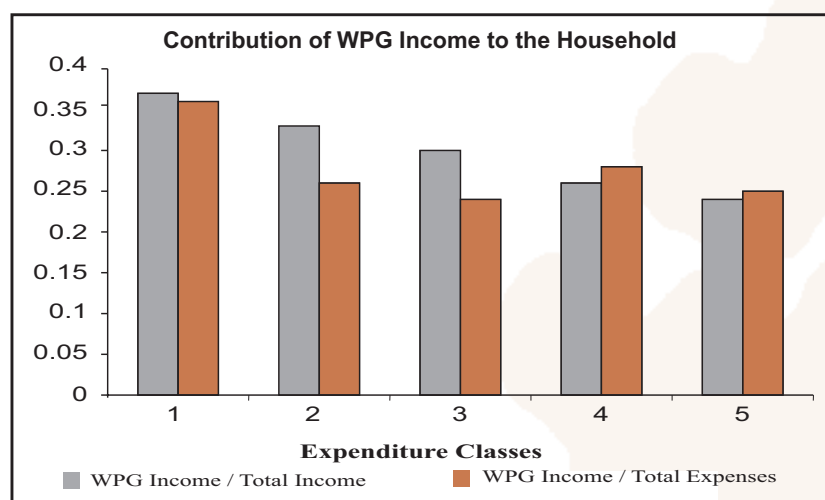
Dasgupta’s study investigates a very dynamic and changing situation – one in which there are many factors affecting what goes on. Because of this, a mix of qualitative and quantitative data is used to get a picture of what is happening ‘on the ground’.

A variety of secondary sources (including census data) are used to get information on the total number of households in the study area and the number of households who have members in the co-operative. In addition, the results of a series of questionnaires and semi-structured interviews are used to get information on many aspects of people’s lives. Data on literacy, water supplies, fuel sources and household income and expenditures are all assessed. Information on tree planting and protection



activity is also evaluated to give an indication of people's willingness to conserve the resource they are exploiting. The 'wealth' of individual households is also assessed by taking into account the assets they own. Five assets are highlighted: bicycles, scooters/motor bikes, refrigerators, televisions and telephones.

In order that the impact of co-operative membership could be assessed, member and non-member households were interviewed. The 15 survey villages had 182 member households, out of which 173 were available at the time of the study. All of these were selected. Non-member households were selected in proportion to the total number of households in each village. After making the necessary statistical adjustments, a total of 339 non-member households were surveyed. Alongside the sample households, other informants included village leaders, school teachers, office-bearers from the production centres, the president of the village cooperative unit and Forest Department officials.



FINANCIAL AND CONSERVATION BENEFITS

The study finds that the CPR-based activities do help to boost the welfare of the households that are members of the Samridhi co-operative. Across the board, all households who are members of Samridhi report that their household economic position has improved since they joined the organization. While the contribution of CPR-based activity to the average household income is quite small, in the poorer households it is quite significant and ranges from 20% to 40% of overall income. This suggests that CPRs are still a very important source of income for the poor. Discussions with members also made it clear that while Samridhi helps women earn income it also, more importantly perhaps, boosts their self-esteem.

The study also shows that commercial demand for CPR products can create incentives for people to invest in conservation. Over 64% of the sampled households work to protect trees and 68% actively plant trees. Many villagers – and not just those involved with the co-operative – felt that the forest area had “increased” over the last 5-10 years. This was felt to be mainly due to government and Samridhi activities. Decreasing dependence on fuelwood was also cited as one of the reasons for forest conservation.

However, the extent to which people engage in conservation work on common land is variable and seems to be related to their wealth. This is partly because poorer households are much more likely to plant trees on common lands, while the better-off are more likely to plant more trees on private lands. This suggests that as households grow richer, they are more likely to try to protect their income stream by reducing their dependency on the CPR itself.

Overall, the poorer segments of the community have a greater awareness of the benefits of conservation activities and promote these activities to a greater extent than their richer neighbours.

To some extent, these findings counter popular wisdom that an increase in demand and profitability from CPR products should lead to short-term unsustainable harvests. Rather, it shows that where people



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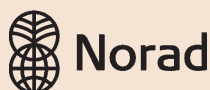
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Table: Households Undertaking Tree Protection Activity by Expenditure Class(in percentage)

Income Class	No Protection	Protection*
1	34	66 (25)
2	37	63 (21)
3	38	62 (19)
4	43	57 (19)
5	48	51 (16)

Note: * Figures in parentheses show the distribution of the 295 households that protect trees.

go through a learning process about income earning possibilities and that this leads to an increase in conservation activities relating to both private and CPR resources.

CAPITALIZING ON COMMERCIALIZATION

Given the generally positive impact of CPR commercialization, the key policy question is: How can this situation be maintained? Should the government, for example, establish private property rights on the CPRs or provide for long term leases? The property-rights view of institutional change would suggest that the best way to maximize economic efficiency would be to break up collective property rights and privatize land ownership. However, the study's findings indicate that, to sustain income for the poor, it is crucial to ensure that collective rights are secure. This implies the need for innovative forms of government intervention to ensure that CPR-based activities continue to provide a level of economic return that make them worthwhile for the poor – the people who are most dependent on them.

Public investments in the CPR cannot of course be considered only from the point of view of improving livelihoods. CPRs perform important ecological functions that need to be conserved. The impact of the Samridhi cooperative also extends beyond the purely financial. The women's cooperative achieves much in terms of the empowerment and education of its women members. In this way it also contributes towards correcting gender imbalances in the local community. This means that CPR commercialization must be considered within a broader ecological and sociological policy framework. It also means that, from a longer-run point of view, the reasons of preserving the CPR may change over time - from fulfilling basic consumption needs to simply maintaining ecological services.

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